



**CALIFORNIA STATE  
PUBLIC WORKS BOARD**

**ARNOLD SCHWARZENEGGER, GOVERNOR**

**915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694**

STATE PUBLIC WORKS BOARD  
December 14, 2009

**MINUTES**

**PRESENT:**

Mr. Tom Sheehy, Chief Deputy Director, Department of Finance  
Mr. Scott Harvey, Chief Deputy Director, Department of General Services  
Ms. Ann Barsotti, Chief Information Officer, Department of Transportation

**STAFF PRESENT:**

Greg Rogers, Administrative Secretary  
Nathan Brady, Assistant Administrative Secretary  
Brian Dewey, Assistant Administrative Secretary  
Chris Leif, Assistant Administrative Secretary  
Lucinda Winward, Budget Analyst  
Natalie Daniel, Budget Analyst  
Stephen Benson, Budget Analyst  
Madelynn McClain, Budget Analyst  
Carlos Ochoa, Budget Analyst  
Andrew Ruppenstein, Budget Analyst  
Deborah Cregger, Staff Counsel  
Aurelia Bethea, Executive Secretary

**CALL TO ORDER AND ROLL CALL:**

Mr. Sheehy, Chairperson of the Board and Chief Deputy Director of the Department of Finance, called the meeting to order at 10:05 a.m. Mr. Greg Rogers, Administrative Secretary for the Board, called the roll. A quorum was established.

The first order of business was approval and adoption of the Minutes from November 9, 2009 and November 16, 2009 meetings. Mr. Rogers reported that Staff had reviewed the minutes and noted that there should have been six delegated items instead of seven; the Little Basin site selection item for the Department of Parks and Recreation included in the briefing binders had not been approved by staff. With that correction, staff recommended approval and adoption of the minutes.

There were no questions or comments from the Board or the public.

**A motion was made by Mr. Scott Harvey and Second by Ms. Ann Barsotti to adopt the minutes from the November 9, 2009 and November 16, 2009 meeting.  
The minutes were approved by a 3-0 vote.**

**BOND ITEMS:**

Mr. Rogers stated that there were no bond items for consideration this month.

**CONSENT ITEMS:**

Mr. Rogers reported that the Consent Calendar consists of Items 1 through 17. Item 13 was to be discussed separately; therefore, the first part of the consent calendar consists of items 1 through 12 and 14 through 17. The Items were as followed:

- 4 requests to acceptance of real property through a transfer of title [Items 1, 2, 4, 5, and 6]
- 1 request to authorizing acquisition of real property through the acceptance of a no cost acquisition [Item 7]
- 5 requests to establishing scope, cost, and schedule [Items 8, 9, 10, 11, and 12]
- 1 request to authorize acquisition [Item 13]
- 1 request to approve an augmentation [Item 14]
- 3 request to approve preliminary plans [Items 15, 16, and 17]

There were two legislative notification letters associated with the Consent Calendar and no adverse comments have been received.

The first legislative notification letter related to the establishment of scope, cost and schedule for five Administrative Office of the Courts projects, Consent Items 8, 9, 10, 11 and 12. Pursuant to Chapter 10, Statutes of 2009, the legislature authorized the Public Works Board to establish the scope, cost, and schedule for new trial courts versus the traditional method of establishing scope, cost and schedule through the Budget Act.

The second legislative notification letter was for Consent Item 14, Department of Parks and Recreation — Chino Hills State Park: Visitors Center—Augmentation —The notification letter advising the Joint Legislative Budget Committee of this intent to authorize acquisition was sent on November 20, 2009.

Staff recommended approval of the Consent Calendar consisting of Consent Items 1 through 12 and 14 through 17.

There were no questions or comments from the Board or the public.

**A motion was made by Mr. Harvey and Second by Ms. Barsotti to adopt staff recommendations for the consent calendar items 1 through 12 and 14 through 17. The Consent calendar was approved by a 3-0 vote.**

Mr. Brian Dewey, Assistant Administrative Secretary, reported that Consent Item 13 was for Department of Parks and Recreation, Humboldt Redwoods State Park, Save-the-Redwoods League—LASS. If this acquisition was approved, Parks would acquire approximately 10 acres of land, which is an inholding of Humboldt Redwoods State Park, at approximately 55-percent of its fair market value. The land would be purchased through the Habitat Conservation Fund a special fund, which was setup especially for this type of acquisition. This acquisition will not increase operational cost for the park. Staff recommended approval of this item.

There were no further questions or comments from the Board or the public.

**A motion was made by Mr. Harvey and Second by Ms. Barsotti to adopt staff recommendations for the consent calendar item 13.**

**Consent Item 13 was approved by a 3-0 vote.**

**ACTION ITEMS:**

Mr. Rogers reported that there is one Action Items for consideration on this month's agenda.

Action Item 1 was for the Department of General Services — Department of Forestry and Fire Protection — PINE MOUNTAIN FIRE STATION — RELOCATE FACILITY, TULARE COUNTY. Consider authorizing an augmentation and authorizing acquisition.

A legislative notification letter advising the Joint Legislative Budget Committee of the intent to authorize an augmentation totaling \$58,000, or 17.3 percent of the total project cost was sent on November 20, 2009. No adverse comments were received from the JLBC.

The reason this acquisition was an action item was due to the fact we were requesting the Board to take a contingent action as it related to the acquisition aspect of this request. It had been the Board's policy to not approve acquisitions for projects until CEQA had been completed. Although the CEQA process for this project would not be complete until December 18, 2009, four days after this meeting, there are not expected to be any legal challenges filed during the litigation period. In the event issues are raised, these issues would be brought to the Board prior to acquisition approval.

The reason staff were supportive of this contingent action was that the owner of the property has indicated that if the sale does not close by the end of the year they would likely withdraw their offer to sell the property. The owner was now willing to sell the property to the state for \$150,000 the appraised value as approved by DGS. Therefore, CALFIRE requested this augmentation and acquisition approval be approved by the SPWB in December 2009, which would allow the acquisition to close before the end of the year. The availability of suitable properties strategically situated within the station's emergency response area is severely limited. CALFIRE staff and Board staff were available to address any questions the Board may have.

Staff recommended approving the augmentation and approving the acquisition contingent upon the completion of CEQA without challenge.

There were no questions or comments from the Board or public.

**A motion was made by Mr. Harvey and Second by Ms. Barsotti to adopt staff recommendations for the Action Item 13.**

**Action Item 1 was approved by a 3-0 vote.**

### **OTHER BUSINESS:**

Mr. Rogers reported that Mr. Nathan Brady, Assistant Administrative Secretary to the Board, would address the Board regarding Other Business Item 1 related to Gov. Code Sec. 14670.13 that authorized the Department of General Services to sell and lease back specified state office buildings that may impact the Board's Lease Revenue financing program and take action as necessary.

Mr. Brady stated that we wanted to bring to the Board members' attention information regarding the provisions of section 14670.13, which was recently added to the Government Code. No action was required at this time. This section authorizes the Director of the Department of General Services to either sell or long-term lease certain specified state facilities for continued state occupancy of those facilities.

Specifically, the statute authorizes the sale or long-term lease of three facilities that have outstanding Public Works Board lease revenue bonds. Those facilities were; the Attorney General Building in Sacramento, the Capitol Area East End Complex, and the Franchise Tax Board complex in Sacramento.

When bonds were sold on these facilities, the Board entered into various agreements wherein we promised not to sell or otherwise dispose of the facilities or, do anything that would affect the tax-exempt status of the bonds. To this end, the statute contains provisions that recognize it may be infeasible to sell or lease the facilities with outstanding bond debt and requires both the issuer and trustee of any outstanding bonds to approve any such sale or lease transaction so as to ensure the transaction does not violate any covenant or obligation of the issuer or trustee.

At this time, the Department of General Services has released a Request for Qualifications to hire a broker for the purposes of disposing of the identified facilities and property. And while it is unknown when or if any actual sales or long-term leasing will occur, staff is taking steps to notify our bond trustee and will be issuing a press release to let the investment community know the Board will be working with legal and financial advisors to be sure that the tax-exempt status of the Board's bonds is maintained and give assurance that all other covenants of Board will be satisfied. While an official disclosure of these events is not required at this time, we believe that it is prudent to issue a press release, as part of the state's voluntary investors relations activities. This is consistent to action the Board took several years ago when other legislation sought to sell certain property which had outstanding Public Works Board lease revenue bonds. Counsel to the Board was present and available to answer any questions the Board members might have relating to this issue.

Other Business Item 2 was an item to extend the term for the two contracts with nationally recognized bond counsel firms that were originally authorized by the Board at its June 12, 2006 meeting.

Both contracts have funds remaining and are due to expire December 30, 2009; the proposed amendments will be for an extension of time to June 30, 2010. The contracts are with the law firms of Orrick, Herrington and Sutcliffe and Stradling Yocca Carlson and Rauth; both firms are currently working on issues related to the Board's lease revenue bond program. Staff recommended approving the extension of the term for each contract to June 30, 2010.

**A motion was made by Mr. Harvey and Second by Ms. Barsotti to adopt staff recommendations approving the extension of the term for each contract to June 30, 2010.**

**The Other Business Item 2 was approved by a 3-0 vote.**

**REPORTABLES:**

There were six reportable items for this months Calendar.

**NEXT MEETING:**

Mr. Rogers reported the next regular meeting was scheduled for **January 11, 2010, at 10:00am, at the State Capitol, in Room 113.**

There were no comments or questions from the public before adjournment.

The meeting was concluded at 10:38 a.m.